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THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY FOR EXTENSION WORKERS AND THE STAFF BY THE BUREAU OF
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MODERATE OPTIMISM; IN SPITE OF UNCERTAIN EUROPEAN MARKETS

Approaching spring seems to bring once more a generous mixture of hope and uncertainty.

The European market, aside from England, wears some dubious aspects. The home market is dominated by the urgent demand for replenishment of manufactured goods - railway equipment, houses, automobiles, etc. This situation continues to push urban industrial wages and prices upward, while producers of foodstuffs remain at relative disadvantage.

Naturally, the great agricultural regions register differences in tone. The South is optimistic and plainly intends to plant more cotton. The Corn Belt apparently thinks rather better of corn than it did a year ago, but finds some difficulty in making up its mind as to hogs. The Range County is outspokenly for sheep but saying little about cattle. The Wheat Belt is somewhat at sea, with hope for a rudder.

Producers of fibers seem to hold a somewhat stronger position than producers of food, so far as the price outlook is concerned. Cotton and wool head the list of important farm products in purchasing power per unit.

The South, in fact, looms large in the whole agricultural situation. If continental Europe materially cuts down its purchase of our wheat and pork this year cotton will become something of a key crop. If the Cotton Belt can make a good crop and if demand in this country, England, Japan, etc., continues to move it at a good price, the South will itself be a real market for many other products by next winter. Well-informed men consider that another billion dollar cash crop in the Cotton Belt would go a long way to offset a failing European market for wheat and meat.

All in all, the country-wide sentiment among farmers might be set down as hope slightly flavored with uncertainty. Prices are apparently high enough to maintain production in the case of most of the important farm products, with possible exception of potatoes. So much for hope. What will happen in the European markets and in the business cycle here at home, by next fall, is a puzzle. So much for uncertainty.

REGIONS AT A GLANCE

THE EAST - Contending with severe winter weather and snow. Roads have been bad in many areas from snow or mud, hampering all work. No marked trend as yet on spring plans.

COTTON BELT - Truck growers discouraged in some sections by recent frost damage. Planters generally getting ready for bigger cotton acreage. Fertilizer trade reported improved. Quite a marked migration of labor from farms to industrial towns.

CORN BELT - Drawing some stimulus from fact of generally well-maintained hog prices in spite of heavy winter run to market. Some uncertainty over numbers of hogs in country and market outlook. Corn prices generally encouraging. Bad roads interfering with all movement.

WHEAT BELT - Winter grain looks better in eastern part of Belt; freezing and heaving damage reported from some sections which lacked snow cover. Wheat growers do not like European market outlook very well. Spring wheat territory said to be talking some decrease in acreage.

RANGE COUNTRY - Generally undergoing cold weather and snow. Considerable feeding necessary lately from Colorado northward. Many Southwestern cattlemen discouraged by drouth and losses of last season. Sheepmen optimistic all up and down the range.

PACIFIC COAST - Bothered somewhat by recent frosts and by snow in the North. Orange picking and shipping continues. California generally in good shape. Making progress with irrigation projects; water taxes are becoming quite an issue.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending February 1, 1923

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Live-Stock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available month.

	Jan. 1913	Jan. 1922	Dec. 1922	Jan. 1923
Cotton, per lb.	¢ 11.9	15.5	24.5	25.9
Corn, per bu.	¢ 50.6	45.8	69.6	.70.7
Wheat, per bu.	¢ 79.9	97.0	105.6	103.7
Hay, per ton	\$ 10.86	11.36	11.84	12.12
Potatoes, per bu.	¢ 53.1	115.5	59.3	64.7
Beef cattle, per 100 lbs.	\$ 5.40	4.75	5.28	5.51
Hogs, per 100 lbs.	\$ 6.77	6.89	7.63	7.77
Eggs, per dozen	¢ 22.8	32.0	44.2	33.5
Butter, per lb.	¢ 37.6	34.4	43.8	42.3
Wool, per lb.	¢ 18.6	18.0	35.3	35.3

Cotton continued its advance.

Corn advanced a trifle, but wheat declined slightly.

Hay, potatoes, hogs, and beef cattle showed slight upward tendency.

Eggs and butter lower, as is usual at the season.

In general, crop prices are now relatively higher than live-stock prices. However, cotton plays a big part therein.

PRICE INDEXES FOR MONTH ENDING FEBRUARY 1

1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics. Shows year ago, and latest available month:

Farm Products
(Prices at the farm)

	<u>Jan.</u> <u>1922</u>	<u>Dec.</u> <u>1922</u>	<u>Jan.</u> <u>1923</u>	Month Trend
Cotton	125	198	209	--- Higher
Corn	77	117	119	--- Slightly higher
Wheat	124	135	133	--- Slightly lower
Hay	103	107	110	--- Slightly higher
Potatoes	179	92	101	--- Higher
Beef cattle	81	89	94	--- Slightly higher
Hogs	93	102	104	--- Slightly higher
Eggs	166	229	174	--- Lower
Butter	128	162	157	--- Lower
Wool	108	211	211	--- Same

Commodity Groups
(Wholesale Prices)

	<u>Jan.</u> <u>1922</u>	<u>Dec.</u> <u>1922</u>	<u>Jan.</u> <u>1923</u>	Month Trend
Farm products	122	145	143	--- Lower
Food, etc.	131	144	141	--- Lower
Cloths & clothing	176	194	196	--- Higher
Fuel & lighting	195	216	218	--- Higher
Metals & met. products	112	131	133	--- Higher
Bldg. materials	157	185	188	--- Higher
Chemicals, etc.	124	130	131	--- Higher
House-furnishing goods	178	182	184	--- Higher
<u>All commodities</u>	<u>138</u>	<u>156</u>	<u>156</u>	<u>--- Unchanged</u>

RELATIVE PURCHASHING POWER
(At January 1923 Farm Prices)

1913 = 100

Of a Unit of:

<u>In terms of:</u>	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	134	76	85	73	65
Cloths, etc.	107	61	68	56	51
Fuel, etc.	96	55	61	50	46
Metals, etc.	157	89	100	83	76
Bldg. materials	111	63	71	58	54
House-furnishing goods	114	65	72	60	55

	<u>Beef cattle</u>	<u>Swine</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	60	67	112	101	135
Cloths, etc.	48	53	89	80	108
Fuel, etc.	43	48	80	72	97
Metals, etc.	71	78	131	118	159
Bldg. materials	50	55	93	83	112
House-furnishing goods	51	57	95	85	115

The general index of purchasing power of farm products in terms of other commodities, as worked out by this Bureau, stood at 68 for January, showing no change from previous month.

Cotton and wool continue as the products having highest purchasing power index.

INDEX NUMBERS OF PRICE AND BUYING
POWER OF FARM PRODUCTS

1913 = 100

This table of prices at the farm is worked up by this Bureau and is published once a month in "Weather, Crops, and Markets".

Year and month	Farm Price Crops, 15th of month	Farm Price Livestock, 15th of month	Farm Price Crops and livestock combined	Wholesale price of Commodities*	Purchasing power of Farm Products#
1913	100	100	100	100	100
1914	108	103	106	94	112
1915	110	95	102	97	106
1916	124	111	118	132	89
1917	208	164	186	176	106
1918	224	192	208	186	112
1919	234	198	216	195	111
1920	238	168	203	234	86
1921	109	107	108	161	67
1922	113	111	112	163	69
<u>1922</u>					
January	98	95	96	150	65
February	105	108	106	149	71
March	112	117	114	150	76
April	115	115	115	153	75
May	118	118	118	161	73
June	119	119	119	164	72
July	118	119	118	172	69
August	114	112	113	176	64
September	110	109	110	170	64
October	110	110	110	169	65
November	118	105	112	169	66
December	123	104	114	168	68
<u>1923</u>					
January	126	106	116	170	68

* Excluding farm products and food.

Expressed in terms of other products.

SIGNIFICANT MOVEMENT OF FARM PRODUCTS

Figures show corn, hogs, cattle receipts at primary markets; butter receipts at 5 markets; wheat (including flour) and cotton exports. Receipts from this Bureau; exports from Department of Commerce. All figures given to nearest thousand.

Month	CORN Receipts Th. Bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	BUTTER Receipts Th. lbs.	WHEAT Exports Th. Bu.	COTTON Exports Th. Bales
1921 Total	340,908	41,040	19,764	569,340	350,460	6,475
1922 Jan.	52,097	4,278	1,628	41,697	14,985	475
" Feb.	58,330	3,612	1,416	38,894	10,991	338
" Mar.	31,035	3,411	1,622	44,919	14,371	461
" Apr.	14,552	3,067	1,470	42,694	10,244	612
" May	27,083	3,737	1,878	68,893	14,267	469
" June	31,157	3,776	1,759	93,139	18,200	491
" July	25,975	2,980	1,709	92,829	19,098	374
" Aug.	24,380	3,037	2,149	62,494	38,964	273
" Sept.	35,296	3,062	2,373	46,419	31,839	369
" Oct.	32,477	3,682	2,936	41,351	25,077	799
" Nov.	23,925	4,421	2,427	38,678	17,578	858
" Dec.	37,466	5,004	1,825	38,475	16,428	608
" Total	393,773	44,067	23,192	650,482	232,042	6,127
1923 JAN.	38,371	5,306	1,876	48,697	*-----	473

Normally, movement from farms of corn, hogs, and cattle used to ease off slightly in January as compared with December. That has not been the case this year.

Corn and hogs both came to market in January in excess of December.

Cattle receipts about the same.

Butter receipts increased considerably over previous month.

THE COLD STORAGE SITUATION

February 1 holdings (Figures show nearest thousand):

<u>Commodity</u>	<u>5 Year Average</u>	<u>Feb. 1, 1922</u>	<u>Jan. 1, 1923</u>	<u>Feb. 1, 1923</u>
Creamery butter, lbs.	35,657	35,047	26,819	16,122
American cheese, lbs.	32,369	21,430	33,617	26,594
Case eggs, cases	179	179	1,310	213
Total poultry, lbs.	92,922	103,350	100,170	120,428
Total beef, lbs.	234,234	78,295	116,255	113,415
Total pork, lbs.	725,058	484,898	570,510	686,825
Lard, lbs.	88,013	61,201	48,808	55,780
Lamb & mutton, lbs.	21,492	3,914	4,522	5,283
Total meats, lbs.	1,071,429	624,278	754,489	872,848
Apples, bbls.	4,201	4,313	6,481	5,333

Butter storage stocks at lowest point on record for February 1.

About normal movement of eggs out of storage.

Meat stocks increased except beef. Much more pork in storage than last year, though less lard.

Apple stocks still heavy, the out-of-storage movement during January being about normal

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1922 <u>Jan.</u>	1922 <u>Dec.</u>	1923 <u>Jan.</u>	Month's Trend
<u>Production</u>				
Steel ingots (Thou. tons)	1,822	3,178	3,717	Increase
Bituminous coal (Thou. tons)	37,600	46,450	50,123	Increase
Cement (Thou. barrels)	4,291	11,349	8,671	Decrease
Automobiles shipped (Thou. carloads)	15	27	34	Increase
<u>Consumption</u>				
Cotton by mills (Thou. bales)	527	528	610	Increase
Unfilled orders Steel Corp. (Thou. T.)	4,242	6,746	6,911	Increase
Building contracts (Millions dollars)	166	215	217	Increase
Hogs slaughtered (Thousands)	3,985	5,201	5,134	Slight decrease
Cattle "	642	779	745	Slight decrease
Sheep "	954	858	1,021	Increase
<u>Movements</u>				
Bank clearings (N.Y.) (Billions dollars)	17	19	20	Increase
Car loadings (Weekly av., Thousands)	734	839	847	Increase
Mail order sales (Thou. dollars)	19,782	32,379	27,407	Decrease
Unemployment in Pa. (Thousands)	314	22	21	Improved
Interest rate, Coml. Paper (60-90D)	4.90	4.63	4.63	Unchanged
Argentine wheat shipments (Thou. bu.)	7,530	6,972	11,525	Increase
Wholesale Price Index (Dept. Labor)	138	156	156	Unchanged
Food retail price index (Dept. Labor)	142	147	144	Decline

The "Business Cycle" is unquestionably moving along high points at the present time. Production is expanding, labor is quite fully employed, wages are relatively high, prices of manufactured goods are tending upward.

It is interesting to watch the trend of such basic industries as railway equipment, automobiles, housing, textiles, etc. The question is, if the business cycle turns downward, which of these great industries will be first to register signs?

The state of urban prosperity is closely linked to the agricultural situation. The home market for farm products looms larger, in proportion as the European market grows uncertain.

OUTLOOK FOR THE LIVESTOCK INDUSTRY IN 1923

(The following was prepared by Messrs. Whalin and Gibbons of the Livestock Marketing Division of this Bureau.)

The general outlook for the livestock industry for 1923 appears good but prospects for the different species show some variation.

Briefly, cattle look steady to strong, hogs lower for the early half of the year with good prospects for a slight advance and a steady market during the late summer and early fall and increased supplies and declining prices at the close of the year. The slight advance on choice hogs which is expected to occur during the late summer will probably be offset by heavy marketings of heavy rough sows. Should that occur the advance will not be so apparent when included in averages.

Sheep appear to be in a very strong position and should do well throughout the year. The supply is light, the demand for fresh lamb is healthy and increasing steadily, and the market for wool, which has a very important influence on sheep and lamb prices, gives every evidence of continuing good. We import 60% of our wool and the 40% which is supplied by domestic production is bolstered by a protective tariff. Dressed meats are similarly protected.

With the exception of pork and lard which normally are exported in large quantities, our livestock industry depends almost entirely upon domestic consumption for a market. Such domestic consumption depends largely on industrial and business conditions and the outlook for these is bright. With labor virtually 100% employed, business conditions good, and meat prices generally moderate our domestic consumption should leave but little surplus of meat products.

Here again pork provides an exception. Before the war we exported approximately 12% of our total production of pork and lard. In 1919 export trade took 24% of production and in 1921, 15.5% went to foreign consumers. Naturally the demand from this quarter is limited by the ability of the foreign purchaser to pay. Unsettled conditions in central Europe to which we look as a market for a large part of our surplus pork and lard have had much to do with making 1922 exports the smallest for any year since 1917. Apparently present conditions in that quarter of the globe are less favorable than at any time since the termination of the war.

Supplies of pork in storage are increasing but on February 1, 1923 were 5.3% less than the average for the five years immediately preceding, these five years including the war period when conditions were wholly abnormal. Despite the increased receipts of hogs at public markets for several months past the number estimated on farms on January 1 of this year was 9.7% greater than a year ago and constituted the largest number on farms on that date since 1919. Furthermore, litters of pigs farrowed during the fall of 1922 were 18.6% greater than a year earlier and the prospective farrowings during the spring of the current year show an increase of 13% in number of litters over those of the first six months of 1922.

Corn may be high and force hogs on the market earlier and at lighter weights thereby reducing the expected supply. We have no assurance, however, that the 1923 corn crop will be even a partial failure. Furthermore, the hog is the most efficient converter of corn into meat we have and for that reason, save when conditions are wholly abnormal and there is an unreasonable disparity between the prices of pork and of corn, the swine industry usually makes a relatively good showing. It is believed that with the advance information regarding prospective supplies now available, marketing, during the coming year, will be conducted in a more orderly fashion than heretofore.

An element of possible danger to the sheep and cattle industries consists in the fact that Argentina has a surplus, a part of which it is planned to market in this country. Something along this line has already been done in the case of lamb and mutton. The present tariff, however, is not a fixed matter but can be changed by executive order. In view of this it would seem that we need not expect serious competition from South America.

To sum up, general prospects for the coming year appear good. Cattle look steady to strong, hogs for the most part lower, sheep steady to higher and wool higher. Apparently all prices will be above pre-war levels and should follow more steady trends than they have for the past three years. Probably conditions will not be fully satisfactory to the farmer because of continued high production and marketing costs.

The foregoing conclusions are based on the following data which purport to comprise some of the fundamental facts pertaining to the livestock and meat situation:

HOGS: Statistically the swine industry seems to be in a rather weak position. Receipts of hogs at public stock yards during 1922 were 7.2% greater than in 1921 and 4.6% greater than the five year average. Receipts during January 1923 were 24% greater than a year earlier and 8.1% greater than the five year January average. Hog slaughter during 1922 was more than 9.1% greater than in 1921 and 3.4% greater than the five year average, both receipts and slaughter being the heaviest since 1919. This relatively heavy hog slaughter in 1922 compared with 1921 resulted in an increase of 10.4% in the amount of carcass pork produced under Federal Inspection alone.

Despite this marked increase in marketing and slaughter the estimated number of hogs on farms January 1, 1923 was approximately 6,500,000 head or 9.7% greater than a year earlier and constituted the largest number on farms on that date since 1919.

Furthermore, a survey made on January 1 of this year indicated an increase of 18.6% in the number of litters of pigs farrowed last fall over a year ago and an increase of .1 pig per litter in the number saved. The same survey showed an increase of 13% in the number of sows bred during the fall of 1922 to farrow during the first six months of the current year.

Export demand during 1922 showed a downward trend, the outward movement of pork and pork products falling 143,184,751 pounds or 8.8% short of similar movements in 1921. Incidentally exports of this sort in 1922 were the lightest for any year since 1917. This decline in foreign trade was largely attributable to disturbed conditions in Europe and to an unfavorable exchange situation.

Fortunately for the swine producer, however, improved industrial conditions resulted in an increase in domestic consumption of pork which more than compensated for this falling off in foreign demand. Data for the full year 1922 are not yet available but during the first nine months apparent domestic consumption of pork and lard increased 373,487,000 pounds or 10.0% as compared with the corresponding period of 1921. As a result of this there has, generally speaking, been no material accumulation in supplies of pork or pork products despite the marked increase in production.

Storage holdings of pork on February 1, 1923, though 41.6% heavier than a year ago, were 5.3% less than the five year average. Holdings of lard on the other hand were 8.9% less than the light supplies on hand a year ago and amounted to but 63.4% of the five year average.

Despite marked increases in supplies of hogs both actual and prospective prices have held up remarkably well, the average for 1922 being 71¢ higher than for 1921. During the past two or three months, however, hog prices have shown a tendency to respond to liberal supplies by seeking a somewhat lower level. The average price of shipper and packer droves at Chicago during the first six weeks of 1923 was \$8.24 per 100 lbs., compared with an average of \$8.36 for the corresponding period of 1922.

BEEF CATTLE: In the case of beef cattle the outlook appears somewhat more favorable. The number on farms January 1, 1923 was only 373,000 head or .9% greater than a year ago, the total estimated number being the smallest since 1917 with a single exception of 1922. However, the fact that all dairy cattle ultimately arrive at the shambles and on the consumer's plate makes it essential in every study of the cattle situation to take full account of the dairy industry as well as the strictly beef cattle industry.

On January 1, 1923 there were 347,000 head or 1.4% more dairy cows in the country than a year earlier, the total estimated number of 24,429,000 being the largest number in the history of the country.

Receipts of cattle and calves at public stock yards during 1922 exceeded those of 1921 by 17.3% and were 1% greater than the five year average. Receipts during January, 1923 were 15.2% greater than a year earlier and 4.2% greater than the five year January average. This movement of cattle to market, however, was somewhat neutralized by the fact that stocker and feeder shipments back to the country during 1922 were 40.7% greater than a year earlier and 8.5% more than the five year average.

The effects of this outward movement became evident in a survey made on December 1, 1922. This showed approximately 27% more cattle on feed in the 11 Corn Belt States than a year earlier. A similar survey made on January 1, 1923 showed an increase of 25% in the number of cattle on feed in the Corn Belt as compared with a year ago.

Actual slaughter of cattle and calves was only 12.2% greater than in 1921 and fell 4.4% short of the average for the five years immediately preceding.

As a result of Federally inspected slaughter of cattle and calves there was in 1922 an increased of nearly 527,000,000 pounds or 11.8% in the amount of carcass beef and veal produced. Apparent domestic consumption during the first 9 months of 1922 showed an increase of 8.7% over the corresponding period of 1921.

Although fair quantities of certain beef products, such as oleo oil, tallow, etc., are exported the United States long ago ceased to be a beef exporting country. This statement, of course, excludes the war period when conditions were wholly abnormal. Total exports of beef and beef products during 1922 amounted to only 149,300,522 pounds, being the smallest quantity exported during the past 14 years.

Cold storage holdings of beef on February 1, 1923 showed an increase of 44.8% over holdings on the corresponding date a year earlier. Compared with the five year average, however, they amounted to only 48.4%.

From the standpoint of prices, the cattle market was exceptionally free from either sudden or wide fluctuations virtually throughout 1922. The trend of prices was slowly but steadily upward, the net advance on good and medium beef steers at Chicago for the year being approximately \$1.50 per 100 pounds. The average price for the year, however, was only 26¢ higher than that of 1921. This tendency of the cattle market to just about maintain an even keel is indicated by the fact that the average price of good and medium steers for January, 1923 was \$9.50 per 100 pounds compared with an average of \$9.62 for the preceding December. Compared with January, 1922, however, the market showed an advance of \$1.51 per 100 lbs.

SHEEP AND LAMBS: The sheep and lamb industry stands out in rather bold contrast with cattle and hogs. The number on farms January 1, 1923, although showing an increase of 3.4% over 1922, nevertheless represented - with the single exception of 1922 - the smallest number since 1897. This relatively small available supply of sheep and lambs was in evidence throughout 1922, total receipts at public stock yards falling 7.5% below those of 1921 and 5% below the five year average. Slaughter showed a 17% decrease compared with 1921 and a 4.6% decrease as compared with the average of the five years immediately preceding.

As a result of Federally inspected slaughter of sheep and lambs total production of dressed lamb and mutton decreased 75,279,735 pounds or 15.3% as compared with 1921.

The total exports for 1922 amounted to only 1,664,743 pounds compared with 7,515,438 pounds in 1921, a net decrease of 5,850,695 pounds or 77.8%. Apparent domestic consumption of lamb and mutton in 1922 decreased nearly 69,000,000 pounds or 17.6% compared with 1921.

Storage holdings of frozen lamb and mutton on February 1 of this year were 5,283,317 pounds compared with 3,914,057 pounds a year ago and constituted only 24.6% of the average February holdings during the past five years.

As might be expected in view of the relatively light supplies available the sheep and lamb market has, for many months past, been extremely sensitive and virtually throughout 1922 was subject to sudden and rather wide fluctuations. The general level of prices, however, was high compared with 1921.

The average price of lambs at Chicago during 1922 was \$3.54 higher per 100 pounds than a year earlier and the average price of ewes \$1.69 higher. At no time during 1922 did lamb prices drop to the 1921 level and from the middle of September to the end of the year they were materially higher even than during the corresponding period in 1920. The average price of lambs for January, 1923 was 23¢ lower than for the December immediately preceding but \$1.71 higher than the average for January a year ago.

Any effort to forecast sheep and lamb prices during the next two or three months, however, should take into account the fact that a survey made on December 1 indicated a 20% increase in the number of sheep and lambs on feed in the important feeding areas. Compared with the corresponding date in 1921 the increase ranged from 10% for the 11 Corn Belt States as a whole to 100% in Utah, Colorado showing a 30% increase. A similar survey as of January 1, 1923 indicated a combined increase in number of sheep and lambs in the Corn Belt States and the western irrigated region of 30% compared with the corresponding date a year earlier. Most of this stock will be marketed during the next three months and must have an important bearing on the general price level.

WOOL: The relationship between the sheep industry and the wool market is, of course, very close and the effect which the wool market has on the prosperity of the sheep man is well understood by everyone. Wool production in the United States in 1922 dropped to 261,595,000 pounds, the lowest point reached in any year since 1897. Wool consumption on the other hand amounted to 691,875,000 lbs., which was an increase of 41,537,000 lbs., over 1921 and represented the largest consumption for any year since 1918. Furthermore, according to best statistics available world supplies of wool have been greatly reduced during the past two years.

As a result of curtailed production in the United States, increased industrial prosperity, and a relatively high protective tariff wool prices have advanced steadily during the past 15 or 18 months. The low point in wool prices was reached in July and August 1921 when 3/8 Blood, Unwashed, Ohio wool sold on the Boston market at an average price of 26¢ per lb. The average price of the same grade of wool for December, 1922 was 54¢ per lb., an increase of 108%. During the same month 3/8 Blood, Scoured Territory Wool sold at an average price of 98¢ per lb., compared with 50¢ in June 1921.

NOTES ON THE COTTON SITUATION

The production of American cotton in 1922 was a distinct disappointment to everyone. The farmer was disappointed on account of the smallness of the yield per acre. The merchant on account of the scarcity of supplies, and the difficulty of obtaining grades which he had sold to the mills, and was therefore committed to deliver on contract. Manufacturers, all over the world have been brought to realize the scarcity of supplies available for their use until another crop can be grown. They have been forced to face a constant rise in price, which has increased the value of cotton about 25 per cent since the crop first came to market in August, 1922. The production forecast which ran as high as 11,500,000 bales on August 1, was constantly reduced and the final outturn of the crop was approximately 9,750,000 running bales. This crop, with exception of the one of the preceding year, was the smallest of any in the past twenty years, although it shows an increase of about 22 per cent over the crop of 1921.

Stocks of cotton on hand in America on February 1, 1923, on farms, in storage, in trade, etc., were about 6,261,000 bales as compared with

pared with 8,179,000 bales for the same date last season. If the present rates of consumption and export are maintained, these stocks will barely carry the mills until the new crop begins to move.

Since the opening of the cotton season, August 1, 1922, prices have advanced from 22.50¢ per pound to 28.50¢ per pound, or approximately \$30.00 per bale. On account of the small stocks of raw material and good business in the cotton goods trade, it would seem that for the present at least prices should hold and probably make further advances. It is expected that a price will be reached that will check consumption during the remainder of the season, but so far there are no indications that this point has been approached.

A considerable increase in the cotton acreage is looked for in the plantings for next year's crop. At the same time the influence of unfavorable climatic conditions, together with boll weevil depredations, must be considered in any forecast of the probable ultimate production.

W. R. Meadows, Division Cotton Marketing, B. A. E.

POTATOES

The potato crop measured up one-fourth more but was worth just about one-third less than the crop of the year before. Production exceeded even that of 1917 by about 9,000,000 bushels and was about 84,000,000 bushels in excess of the ten year average. Even in the States which use more than they raise, the production was so large that the main shipping States found the market outlet limited and the carlot shipments of late potatoes have been somewhat less than last season.

The January stocks on hand were the largest in ten years and over four-fifths of them were reported still in the hands of growers. Since January 1, the movement has been more active, with nearly 4,000 cars shipped weekly, except when hindered by stormy weather. The price paid to farmers at country railroad shipping points ranges from as low as 10 cents per bushel in parts of the far West to about 50¢ in various sections of the eastern States. Even the low figures reported for the West do not tell the whole story. Potatoes in the Rocky Mountain section are sold in bags which cost the farmer almost half the price he receives for the potatoes. He has to grade them, put them up in the sacks and haul them over winter roads for many miles. The great surplus is in the West and North, while the larger eastern potato States have no unusual quantities on hand. Hence, eastern prices have not dropped off so fast nor so far as in the West. City wholesale prices in February ranged 80 cents to \$1.00 per 100 pounds in the Middle West and \$1.25 to \$1.50 in the East.

CABBAGE

The commercial cabbage crop of over 1,000,000 tons was the largest in recent years but the quantity placed in cold storage was not excessive and the storage stocks have been closed out rapidly at the rate of about 500 cars a week. Most of the remaining old stock is in western New York storage houses. The February rise to almost double the price in January is owing largely to the light supply of new southern cabbage. Shipments from Florida and Texas seem likely to continue light because of a reduction in the estimated crop to not over one-fourth that of last season.

APPLES

The disposal of a commercial apple crop, second only to that of 1920, was not effected without difficulty. For the first time the production was unusually large in the East and Northwest together. After the first few months, the quantity available was seen to be greatly reduced because of worm damage in the Northwest and the large proportion of quickly perishable apples in the eastern crop. Shipments of barreled apples have been twice as heavy as last season but the movement from the boxed sections was only three-fourths that of last season. The heavy stocks in cold storage have been taken out rapidly and the holdings, while still large compared with last season, are only a little more than those of 1921. The present holdings would equal about 25,000 carloads. About half of these are likely to be sold direct from the city storage houses, and the other half shipped as carlots. There are also several thousand carloads in common storage, mostly in the Northern apple belt from Maine to Washington. Prices look low compared with those of last season and with 1920, but prices of standard grades and leading varieties of barreled apples at \$4.50 to \$5.00 are about the same as in February, 1921.

The general situation appears much like that of 1920-21 when the season's outcome proved more satisfactory to holders of apples than for most other lines of farm produce.

ONIONS

Onion production in 1922 was about midway between the large crop of 1920 and the light total yield in 1921. Quality was poor in some eastern States. The product has moved to market at about the usual rate with only a very few thousand cars left in storage, and reserves seem likely to be cleaned up fairly well by the time competition with the new southern crop begins. Disposal of the northern onions will be promoted as a result of the recent frost damage to the early crop of Southern Texas, by which the active shipping season will be delayed two weeks, and holders of old onions may be given a longer time than expected, for closing out the old crop. Prices have sagged off about 50 cents per 100 pounds from the January top. The city wholesale range is \$2.00 to \$3.00 per 100 pound sack, according to quality and condition of the stock sold. A year ago, the average was around \$8.00.

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